

**TESTIMONY OF
ROBERT SMANIK, PRESIDENT AND CEO
DAY KIMBALL HOSPITAL
BEFORE THE
HUMAN SERVICES COMMITTEE
Tuesday, March 2, 2010**

***H.B. No. 5297 (RAISED) AN ACT CONCERNING STATE-WIDE EXPANSION OF
THE PRIMARY CARE MANAGEMENT PILOT PROGRAM***

Senator Doyle, Representative Walker and distinguished members of the Human Services Committee, my name is Robert Smanik, I am the President and Chief Executive Officer of Day Kimball ("DKH"). I am providing testimony today in support of **H.B. 5297, An Act Concerning State-Wide Expansion of the Primary Care Case Management Pilot Program**. In addition, I would like to speak in support of **H.B. 5328, An Act Implementing SAGA Hospital Rate Increases**.

H.B. 5297, An Act Concerning State-Wide Expansion of the Primary Care Case Management Pilot Program

DKH is focused on quality and patient safety, and providing access to the most skilled professionals, the highest quality of care, and the latest technology. Providing care to all who need it, regardless of ability to pay, twenty-four hours a day, seven days a week year-round, DKH is an integral to the quality of life and health in our community. DKH is among the largest employers in Windham County, supporting thousands of families/jobs and generating substantial economic activity. In many respects, the health of our community is linked to the health of our local hospital. Unfortunately, the economic crisis puts tremendous pressure on our Hospital. Thus, DKH puts forth efforts to determine how to best manage, in these challenging times, the Hospital's ability to meet the needs of our community.

With this in mind, I testify before you today to respectfully request, the distinguished members of this committee, to support the expansion of Primary Case Management (PCCM) Pilot Program on a state-wide basis. DKH, in concert with our physicians are proud to have spent many years growing and developing an integrated primary care system. The PCCM pilot is a model of care which fits squarely with the patient base and mission of DKH. I understand that this pilot program is up and running in some other parts of Connecticut. It is my belief that expanding this pilot program will allow other Hospital's, such as DKH, to prove that this model can be very successful. The State's investment in this program can and will produce results if given the right opportunity.

H.B. 5328, An Act Implementing SAGA Hospital Rate Increases

As you may know, the SAGA program has been the focus of much legislative attention for several years. The SAGA program was significantly modified in 2004 and subjected hospitals, pharmacies, and community health centers to a cap based on available

appropriations. Over time, DSS removed the cap from all providers except hospitals. Today, SAGA non-hospital providers are paid one hundred percent of the Medicaid rate while hospitals are paid about 43 percent of the Medicaid rate.

As of today, DSS has not taken the administrative steps needed to implement an 1115 waiver for the SAGA program as directed by the legislature and does not plan to do so until July 1, 2011 – a full seven and a half years after first directed by the legislature to do so. In a letter dated January 20, 2010, DSS stated that the further delay is due to the uncertainty created by federal healthcare reform.

The biennial budget passed in September 2009 provided the funding needed to raise hospital SAGA rates up to Medicaid effective January 1, 2010. This new budget makes it clear that DSS will not be implementing existing law in the time frame required. **The funds necessary to raise hospital SAGA rates to Medicaid have been appropriated and will be matched with or without a waiver.** So, let's just start paying hospitals in accordance with the biennium budget at the Medicaid rate for SAGA and finally put hospitals on par with all other providers to the SAGA program.

HB 5328 acknowledges that the funding to pay hospitals at the Medicaid rate is already appropriated, and directs DSS to pay hospitals in accordance with that appropriation without a cap. We urge you to pass HB 5328.

Thank you for your consideration of my position on both issues today and I would be glad to answer any questions you may have.